

AB 2723 – Solar Incentives for Low-Income Residential Housing

Assemblymember Fran Pavley

IN BRIEF

AB 2723 requires the Public Utilities Commission to ensure that not less than 10% of the funds from the California Solar Initiative (CSI) be used for solar devices on low-income residential housing. The bill also specifies that funds for the CSI cannot be diverted from existing low-income ratepayer programs. Lastly, AB 2723 requires that by 2016, any unused funding from the 10% set-aside be used to augment existing energy efficiency measures for low-income residential housing.

THE ISSUE

Low-income housing developers only receive a 35% rebate from the state for solar photovoltaic installations compared to regular homeowners who receive rebates and tax breaks that significantly reduce costs. Because of this insufficient subsidy and the high cost of solar equipment, only 2.5% of the state's solar incentive applications have been from low-income housing developers resulting in less than 2% of the state's solar incentive fund going to low-income housing - only \$3.7 million out of \$190 million.

In addition, low-income residents are more likely to live in apartments or homes that are not energy efficient, causing their utility bills, which average \$50 a month, to increase; however, homeowners are able to afford new double-pane windows and other energy efficient upgrades that can significantly reduce utility bills.

EXISTING LAW

The Public Utilities Commission provides \$135 million annually to the Renewable Resource Trust Fund from investor-owned utility (IOU) customers' rates to provide rebates and credits for renewable energy programs.

The Energy Commission, utilizing funding from the legislature, provides subsidies for photovoltaic (PV) solar energy systems which total about \$30 million annually.

THE SOLUTION

AB 2723 signals the legislatures' commitment to fully fund solar incentives for low-income residential housing. We have the potential to make our state's renewable energy incentive dollars go further by installing solar technology on low-income housing units. About 20,000 units of low-income housing are developed annually in California with an average of 54 units per site. Installing a solar system on a building that serves 54 units is more efficient than installation on a house that serves just one family.

ECONOMIC BENEFITS

AB 2723 will also create jobs and clean the air – a win-win for the state.

- Solar power can create 5-7 times more jobs per unit of energy than natural gas power plants, primarily through the assembly and installation of solar energy systems.
- For every megawatt of solar installed, more than 400 tons of air pollution is reduced annually.
- Reduces California's dependence on imported natural gas for power plant generation. California currently imports more than 80% of its natural gas – the state's single largest source of electricity.

SUPPORT

Global Green USA, The Coalition on the Environment and Jewish Life of Southern California, Union of Concerned Scientists, American Lung Assoc., Sierra Club of CA, Planning and Conservation League, CA League of Conservation Voters, Vermont Village Community Development Corporation, Inc., CA Association of Nonprofits, The Interfaith Environmental Council, Western Center on Law & Poverty

FOR MORE INFORMATION

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